

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:836

ANSWERED ON:22.11.2007

OIL BONDS

Lagadapati Shri Rajagopal;Yerrannaidu Shri Kinjarapu

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has given approval to issue Oil Bonds with a view to restore financial health of the Oil Marketing Companies;
- (b) if so, the details thereof;
- (c) the approximate target amount to be secured through financial securities; and
- (d) the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a)&(b) Yes, Sir. The Government has approved that 42.7% of the total under-recoveries of the Public Sector Oil Marketing Companies (OMCs) for the current financial year (2007-08) may be borne by the Government in the form of Oil Bonds.

(c)&(d) The target amount to be secured through financial securities will depend upon the price of petroleum products and crude oil in the international market, which vary on a daily basis. Currently, there is great volatility in the international market.